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& Marketing Magazine

September 26, 2006

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Today's News

'We Have To Do A Lot Of Things Differently'

Clear Channel CEO Mark Mays said Wednesday that the radio industry must embrace new methods of reaching listeners and populating new forms of media with its content if it hopes to compete in the widening world of consumer media.

"For radio to prosper, we will have to do a lot of things differently," he said during the Dickstein Shapiro Broadcast Financing 2006 session at the NAB Radio show. "We need to be taking content, repurposing it, and giving it to people in a format that they want. We have to be constantly evolving and changing what we're doing, and asking ourselves what changes can we continue to make to make radio viable."

Mays continued, "We have two customer bases: our advertising customers and our listening customers. We need to do a better job of looking at how to reach those two customer bases, because there is more competition today, for listeners."

We're just trying to gain entertainment space in people's minds. We need to create very innovative environments in the future."

Fellow panelist and Greater Media CEO Peter Smyth shared Mays' sentiments. "As evolutionary things happen, people want to get on bandwagon," he said. "People in the industry need to take chances, and not be afraid to fail. We are on the way to great renaissance in American radio."

Aside from embracing technological change, Mays says that radio must also further consolidate over the next ten years if its wants to stand toe-to-toe with other, more consolidated industries that are using their scale to gain stronger footholds.

"Look at radio versus other mediums," Mays said, noting that the cable, newspaper and television industries have all consolidated. "We are going to have to be broader." Mays even joked with Emmis Communications CEO Jeff Smulyan, another panelist, that he would have left Emmis' KZLA Los Angeles as a Country station - Emmis recently flipped the station to Rhythmic AC as "Movin' 93.9" - insisting that the scale Clear Channel has in the market would have allowed it to keep the market's sole Country outlet on the air. Under his breath and with a smile, Smulyan said, "No you wouldn't have."

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BOOS

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LOS ANGELES METRO RADIO MARKET REVENUE SHARE DATA

In 2005, the L.A. Metro Radio Market had revenues of \$1.080 billion.*

Clear Channel (20.6)**

KBIG-FM
KHHT-FM
KFI-AM
KHS-FM
KLAC-AM
KOST-FM
KTLK-AM
KYSR-FM

CBS Radio (18.4)**

KCBS-FM
KFWB-AM
KLSX-FM
KNX-AM
KROQ-FM
KRTH-FM
KTWV-FM

Univision Radio (13.4)**

KLVE-FM
KRCD-FM/KRCV-FM
KSCA-FM
KTNQ-AM

W Radio (0.1)**

XTRA -AM

Radio One (1.6)**

KKBT-FM

Emmis (4.8)**

KPWR-FM
KZLA-FM

ABC/Disney (5.6)**

KABC-AM
KDIS-AM
KLOS-FM
KSPN-AM

Liberman (4.7)**

KBUE-FM/KBUA-FM/
KEBN-FM
KHJ-AM
KWIZ-FM
KMXN-FM (simulcast with KBUE)

Spanish B'cst (6.1)**

KLAX-FM
KXOL-FM

Salem (2.2)**

KXMX-AM
KKLA-FM
KRLA-AM
KFSH-FM

Taxi P'dtns (1.5)**

KJLH-FM

Entravision (3.8)**

KLYY-FM
KSSE-FM
KSYY-FM
KVYY-FM
KDLD-FM
KDLE-FM

Mt. Wilson FM (1.4)**

KMZT-FM
KSUR-AM

Styles Media (0.7)**

KDAY-FM

Lotus Kalmenson (0.8)**

KIRN-AM
KWPA-AM
KWKW-AM

830AM (0.3)**

KMXE-AM

Multicultural (0.9)**

KALI-AM
KALI-FM
KAZN-AM
KMNY-AM
KMRB-AM
KYP-AM
KBLA-AM

Hi Favor (0.5)**

KLTX-AM

Sporting News (0.2)**

KMPC-AM

Calvary Chappel (0.8)**

KWVE-FM

Source: *SCBA Reporting Stations Jan.-Dec. 2005 for 59 Radio stations in L.A. and Orange Counties.
**Shares based on Spring 2006, Arbitron Los Angeles Metro Ratings, Monday-Sunday, 6A-12M, P12+.

07/25/06

In 2004, the L.A. Metro Radio Market had revenues of \$1.045 billion.*

Clear Channel (20.2)**

KBIG-FM
KHHT-FM
KFI-AM
KIIS-FM
KLAC-AM
KOST-FM
KTLK-AM
KYSR-FM

Infinity (18.4)**

KCBS-FM
KFWB-AM
KLSX-FM
KNX-AM
KROQ-FM
KRTH-FM
KTWV-FM

Univision Radio (11.3)**

KLVE-FM
KRCD-FM/KRCV-FM
KSCA-FM
KTNQ-AM

Radio One (3.2)**

KKBT-FM

Emmis (6.0)**
KPWR-FM
KZLA-FM

ABC/Disney (4.9)**

KABC-AM
KDIS-AM
KLOS-FM
KSPN-AM

Lieberman (4.6)**

KBUE-FM/KBUA-FM/
KEBN-FM
KHJ-AM
KWIZ-FM
KMXN-FM (simulcast with KBUE)

Public Radio Stations (4.6)**

KUSC-FM
KPCC-FM
KCRW-FM
KKJZ-FM
KCSN-FM
KCLU-FM

Salem (1.9)**

KXMX-AM
KKLA-FM
KRLA-AM
KFSH-FM

Taxi P'dtns (1.4)**

KJLH-FM

Entravision (5.1)**

KLYY-FM
KSSE-FM
KSYY-FM
KVYY-FM
KDLD-FM
KDLE-FM

Mt. Wilson FM (1.9)**

KMZT-FM
KSUR-AM

Styles Media (0.9)**

KDAY-FM

Spanish B'cst (6.0)**

KLAX-FM
KXOL-FM

Lotus Kalmenson (0.6)**

KIRN-AM
KWPA-AM
KWKW-AM

Radiovisa (0.7)**

KMXE-AM

Multicultural (0.8)**

KALI-AM
KALI-FM
KAZN-AM
KMNY-AM
KMRB-AM
KYP-AM
KBLA-AM

Hi Favor (0.4)**

KLTX-AM

Sporting News (0.1)**

KMPC-AM

Calvary Chappel (0.5)**

KWVE-FM

Source: *SCBA Reporting Stations Jan.-Dec. 2004 for 59 Radio stations in L.A. and Orange Counties.
**Shares based on Spring 2005, Arbitron Los Angeles Metro Ratings, Mon.-Sun., 6A-12M, P12+.

09/22/05

In 2003, the L.A. Metro Radio Market had revenues of \$1.035 billion.*

Clear Channel (20.2)**

KBIG-FM
KHHT-FM
KFI-AM
KIIS-FM
KLAC-AM
KOST-FM
KXTA-AM
KYSR-FM

Infinity (19.0)**

KCBS-FM
KFWB-AM
KLSX-FM
KNX-AM
KROQ-FM
KRTH-FM
KTWV-FM

Univision Radio (7.7)**

KLVE-FM
KRCD-FM/KRCV-FM
KSCA-FM
KTNQ-AM

Radio One (3.0)**

KKBT-FM

Emmis (7.4)**

KPWR-FM
KZLA-FM

ABC/Disney (5.7)**

KABC-AM
KDIS-AM
KLOS-FM
KSPN-AM

Liberman (4.8)**

KBUE-FM/KBUA-FM/
KEBN-FM
KHJ-AM
KWIZ-FM
KMXN-FM (simulcast with KBUE)

Spanish B'cst (7.3)**

KLAX-FM
KXOL-FM
KZAB/KZBA-FM

Salem (2.9)**

KXMX-AM
KKLA-FM
KRLA-AM
KFSH-FM

Taxi P'dtns (1.9)**

KJLH-FM

Entravision (4.4)**

KLYY-FM
KSSE-FM
KSYF-FM
KVVY-FM
KDLD-FM
KDLE-FM

Mt. Wilson FM (2.0)**

KMZT-FM
KSUR-AM

XTRA Com. (0.3)**

XTRA-AM
XTRA-FM

Lotus Kalmenson (0.7)**

KIRN-AM
KWPA-AM
KWKW-AM

Radiovisa (0.5)**

KMXE-AM

Multicultural (0.5)**

KALI-AM
KALI-FM
KAZN-AM
KMNY-AM
KMRB-AM
KYPA-AM
KBLA-AM

Hi Favor (0.7)**

KLTX-AM

Sporting News (0.1)**

KMPC-AM

Calvary Chappel (0.6)**

KWVE-FM

Source: *SCBA Reporting Stations Jan.-Dec. 2003 for 57 Radio stations in L.A. and Orange Counties.

**Shares based on Spring 2004, Arbitron Los Angeles Metro Ratings, Mon.-Sun., 6A-12M, P12+. Arbitron data used with permission from the Arbitron Company and may not be quoted or reproduced without written permission from Arbitron.

07/20/04

In 2002, the L.A. Metro Radio Market had revenues of \$950 million.*

Clear Channel (19.9)**

KBIG-FM
KHHT-FM
KFI-AM
KIIS-FM
KLAC-AM
KOST-FM
KXTA-AM
KYSR-FM

Infinity (19.5)**

KCBS-FM
KFWB-AM
KLSX-FM
KNX-AM
KROQ-FM
KRTH-FM
KTWV-FM

Hispanic B'est Cor (9.2)**

KLVE-FM
KRCD-FM/KRCV-FM
KSCA-FM
KTNQ-AM

Radio One (3.6)**

KKBT-FM

Emmis (7.3)**

KPWR-FM
KZLA-FM

ABC/Disney (5.0)**

KABC-AM
KDIS-AM
KLOS-FM
KSPN-AM

Lieberman (5.9)**

KBUE-FM/KBUA-FM
KHJ-AM
KWIZ-FM
KMXN-FM

Spanish B'est (5.4)**

KLAX-FM
KXOL-FM

Salem (2.5)**

KEZY-AM
KKLA-FM
KLTJ-AM
KRLA-AM
KFSH-FM

FourSquare Gospel (0.1)**

KFSG-FM

Taxi P'dtms (1.9)**

KJLH-FM

Entravision (2.6)**

KLYY-FM
KSSE-FM
KDLD (formerly KSSC-FM)
KDLE (formerly KSSD-FM)
KSYY-FM
KVYY-FM

Mt. Wilson FM (2.4)**

KMZT-FM
KSUR-AM

Multicultural (0.8)**

KALI-AM
KALI-FM
KAZN-AM
KMNY-AM
KMRB-AM
KYPA-AM

Radio Unica (0.8)**

KBLA-AM

Lotus Kalmenson (0.6)**

KIRN-AM
KWPA-AM
KWKW-AM

Sporting News (0.1)

KMPC-AM

CRN (0.3)**

KPLS-FM

Public Radio Stations (4.6)**

KUSC-FM
KPCC-FM
KCRW-FM
KKJZ-FM
KCSN-FM
KCLU-FM

Source: *SCBA Reporting Stations Jan.-Dec. 2002 for 57 Radio stations in L.A. and Orange Counties.

**Shares based on Fall 2002, Arbitron Los Angeles Metro Ratings, Mon.-Sun., 6A-12M, P12+. Arbitron data used with permission from the Arbitron Company and may not be quoted or reproduced without written permission from Arbitron.

01/22/03

In 2001, the L.A. DMA had radio revenues of over \$925 million.*

Clear Channel (21.9)**

KBIG-FM
KHHT-FM (formerly KCMG)
KFI-AM
KIIS-FM
KLAC-AM
KOST-FM
KXTA-AM
KYSR-FM
KGGI-FM
KKDD-AM

Infinity (21.0)**

KCBS-FM
KFWB-AM
KLSX-FM
KNX-AM
KROQ-FM
KRTH-FM
KTWV-FM
KPRG-FM

Hispanic B'cst Cor (9.4)**

KLVE-FM
KRCB-FM/KRCV-FM
KSCA-FM
KTNQ-AM

ABC/Disney (5.9)**

KABC-AM
KDIS-AM
KLOS-FM
KSPN-AM (formerly KRLA)

Lieberman (3.3)**

KBUE-FM/KBUA-FM
KWJL-AM (formerly KKHJ)
KWIZ-FM

Emmis (6.2)**

KPWR-FM
KZLA-FM

Spanish B'cst (4.1)**

KLAX-FM
KMJR-FM (formerly KFOX)
KREA
KXOL-FM (formerly KFSG)

Radio One (4.3)**

KKBT-FM

Big City (1.0)**

KLYY-FM
KSYY-FM
KVYY-FM

Taxi P'dtms (1.3)**

KJLH-FM

Entravision (1.9)**

KCAL-AM
KOLA-FM
KSSZ-FM
KSSC-FM
KSSD-FM
KSSE-FM

Mt. Wilson FM (1.9)**

KMZT-FM (formerly KKGQ)
KJAZ-AM (formerly KGIL)

Multicultural (1.0)**

KALI-AM
KALI-FM
KAZN-AM
KMNY-AM
KMRB-AM
KRRR-AM
KYPB-AM

Kalmenson (1.0)**

KIRN-AM
KWKW-AM
KWPA-AM

Radio Unica (1.1)**

KBLA-AM

Astor (0.2)**

KMXN-FM (formerly KIKF)
KMXN-AM (formerly KIKR)

Sporting News (0.1)**

KMPC-AM (formerly KCTD)

Salem (2.8)**

KKLA-FM
KLTX-AM
KRLA-AM (formerly KIEV)
KFSH-FM (formerly KXMX)
KEZY-AM

Gold Coast

KCAQ-FM
KKBE-FM
KKZZ-AM
KOCB-FM
KVNK-AM
KVTA-AM

Cumulus (0.1)**

KRUZ-FM
KVEN-AM
KBBY-FM
KHAY-FM
KMGQ-FM
KKSJ-FM

Source: *BIA/SCBA estimates

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ATTACHMENT 3

**CLEAR CHANNEL PRESS RELEASE AND *STAR-TELEGRAM* ARTICLE
CONCERNING CLEAR CHANNEL'S SECOND QUARTER, 2006 PROFITS**

Clear Channel Communications Reports Second Quarter 2006 Results

San Antonio, Texas August 8, 2006...Clear Channel Communications, Inc. (NYSE: CCU) today reported results for its second quarter ended June 30, 2006.

The Company reported revenues of approximately \$1.9 billion in the second quarter of 2006, an increase of 7% from the \$1.7 billion reported for the second quarter of 2005. The increase in revenues came across all operating segments led by the Company's outdoor advertising segment with 9% growth and the radio segment with 6% growth.

Clear Channel's income before discontinued operations decreased 7% to \$197.5 million, as compared to \$213.2 million for the same period in 2005. The Company's diluted earnings before discontinued operations per share remained at \$0.39 for both periods.

The Company's OIBDAN (defined as Operating Income before Depreciation & Amortization, Non-cash compensation expense and Gain (loss) on disposition of assets – net) was \$647.2 million in the second quarter of 2006, a 10% increase from the second quarter of 2005. See reconciliation of OIBDAN to net income at the end of this press release.

"We are successfully reshaping our Company to capitalize on the changes in the global media market," said Mark P. Mays, Chief Executive Officer. "Through a systematic and prudent investment strategy, we are continuing to strengthen our content resources while efficiently expanding our distribution channels. As we take steps to secure our growth over the long-term, we remain committed to generating profitable growth and cash returns for our shareholders."

"We remain very optimistic about our growth prospects in 2006," Mays added. "Our operating momentum has continued into the current quarter. Our radio division's performance surpassed our expectations and once again far outpaced the industry. Our top-25 radio markets performed particularly well, generating the highest percentage growth of any of our markets. And our outdoor business continued the trend of posting consistently strong revenues and profits, with considerable gains from the fast-growing sunbelt markets in the U.S., as well as solid results in France, Italy and Turkey."

"Our second quarter results reflect strong growth and healthy fundamentals across our operations," added Randall Mays, President and Chief Financial Officer. "As we continue to convert our audience gains into top-line growth, we will continue to generate profitable returns for our shareholders. Looking ahead, our solid balance sheet and tremendous financial flexibility support our efforts to maximize the value of our assets."

Revenue, Direct Operating and SG&A Expenses and OIBDAN by Division

(In thousands)	Three Months Ended June 30,		% Change
	2006	2005	
<u>Revenue</u>			
Radio Broadcasting	\$ 983,523	\$ 931,929	6%
Outdoor Advertising	748,403	684,509	9%
Other	150,235	135,792	11%
Eliminations	(31,514)	(29,498)	
Consolidated revenue	<u>\$1,850,647</u>	<u>\$1,722,732</u>	7%
<u>Direct operating and SG&A expenses</u>			
Radio Broadcasting	\$ 588,310	\$ 554,217	
Less: Non-cash compensation expense	(6,310)	—	
	582,000	554,217	5%
Outdoor Advertising	493,758	460,000	
Less: Non-cash compensation expense	(1,573)	—	
	492,185	460,000	7%
Other	114,558	107,801	
Less: Non-cash compensation expense	(975)	—	
	113,583	107,901	5%
Eliminations	(31,514)	(29,498)	
Plus: Non-cash compensation expense	8,858	—	
Consolidated divisional operating expenses	<u>\$1,165,112</u>	<u>\$1,092,620</u>	7%
<u>OIBDAN</u>			
Radio Broadcasting	\$ 401,523	\$ 377,712	6%
Outdoor Advertising	258,218	224,509	14%
Other	36,652	27,891	31%
Corporate	(47,159)	(40,957)	
Consolidated OIBDAN	<u>\$ 647,234</u>	<u>\$ 589,155</u>	10%

See reconciliation of OIBDAN to net income at the end of this press release.

Radio Broadcasting

The Company's radio broadcasting revenues increased 6% during the second quarter of 2006 as compared to the second quarter of 2005 primarily from an increase in both local and national sales, driven by increases in yield and average unit rates. The number of 30 second and 15 second commercials broadcast as a percent of total minutes sold increased in the second quarter of 2006 as compared to the second quarter of 2005. The Company's top 25 markets performed well, experiencing the highest percent revenue growth of any of its markets. Strong advertising categories during the second quarter of 2006 as compared to the second quarter of 2005 were services, automotive and retail.

The Company's radio broadcasting direct operating and SG&A expenses increased \$34.1 million for the second quarter of 2006 as compared to the second quarter of 2005. This growth includes an increase in non-cash compensation expense of \$6.3 million as a result of adopting FAS 123(R). Also contributing to the increase were increased costs related to programming, sales and distribution initiatives.

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Business

Posted on Tue, Aug. 08, 2006

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Clear Channel 2Q profit falls

ELIZABETH WHITE
Associated Press

SAN ANTONIO - Clear Channel Communications Inc., the nation's largest operator of radio stations, said Tuesday its second-quarter earnings fell more than 10 percent on higher operating costs even as revenue rose.

Net income fell to \$157.5 million, or 39 cents per share, in the three months ended June 30 from \$220.7 million, or 40 cents per share, in the year-ago period.

Analysts were looking for profit of 41 cents per share in the most recent quarter, according to a survey by Thomson Financial.

Revenue rose 7 percent to \$1.85 billion from \$1.72 billion a year earlier, beating analysts' estimates for \$1.6 billion.

The company's largest segment, radio broadcasting, posted a 6 percent increase in revenue, to \$983.5 million. Advertising revenue at its 1,200 stations grew, led by the automotive, services and retail sectors.

To stem the loss of listeners to satellite radio and CDs, San Antonio-based Clear Channel has cut back on commercials but charges advertisers more - a strategy dubbed "less is more."

The outdoor advertising segment, which sells billboard and bus-stop ads, had revenue of \$748.4 million, up 9 percent from a year earlier.

Shares of Clear Channel Communications rose 21 cents to \$28.75 in morning trading on the New York Stock Exchange.

Chief Executive Mark P. Mays said the company's momentum has continued in the new quarter.

"Our radio division's performance surpassed our expectations and once again far outpaced the industry," he said. "Our top-25 radio markets performed particularly well, generating the highest percentage growth of any of our markets. And our outdoor business continued the trend of posting consistently strong revenues and profits."

Fred Moran, media stock analyst for Boca Raton, Fla.-based Stanford Group, said the second quarter's radio revenue growth proves the success of the "less is more" strategy.

"Advertisers feel like they are getting more for their money because ratings are climbing while competing radio stations are in decline," Moran said. "And the evidence is that the growth has turned strongly positive despite the radio industry still struggling."

Moran said Clear Channel's radio and outdoor-advertising revenue should continue to grow in the third quarter. Even though second-quarter earnings "slightly missed" analysts' target, he said, "the story is really in the revenue and operating cash flow growth."

Jonathan Jacoby, an analyst for Bank of America Securities LLC, said in a note that radio revenue growth "should outpace the industry for the balance of the year."

Analysts expect earnings of 39 cents per share in the third quarter, 40 cents per share in the fourth quarter, and \$1.34 per share for the full year.

ON THE NET

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ATTACHMENT 4

***LOS ANGELES TIMES* ARTICLE CONCERNING LOS ANGELES
FCC FIELD HEARING ON MEDIA OWNERSHIP**



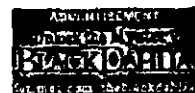
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Public Expresses Frustration Over Broadcast Media

Two FCC members hear calls to boost standards and end consolidation of station ownership.

By Meg James, Times Staff Writer
September 4, 2006

Deep frustration over the media's often frivolous and occasionally insensitive broadcasts bubbled over late last week in Los Angeles as a parade of speakers spent 4 1/2 hours imploring two federal regulators to enforce higher standards and halt any further consolidation of radio and television station ownership.

Nearly 250 people showed up for a hearing at USC, one of several across the country that will be held as the Federal Communications Commission embarks, yet again, on an overhaul of media ownership rules.

ADVERTISEMENT

"We are right back to square one," said Michael J. Copps, one of two FCC members at the meeting Thursday.

In 2003, the agency voted 3 to 2 to allow companies to own more TV stations across the country and to control both a station and a newspaper in the same market. After an outpouring of protest from consumer groups and others, Congress weighed in, undercutting the FCC's action. Separately, the U.S. 3rd Circuit Court of Appeals called the new regulations unjustified and sent them back to the agency for revision.

"It was a near-disaster for the United States of America, and we cannot let that happen again," said Copps, who, along with the other Democrat on the commission, Jonathan S. Adelstein, had voted against the rules.

The full FCC is expected to vote on the media ownership rules next year. The issue is considered a test for FCC Chairman Kevin J. Martin, who took the helm last year in the wake of the controversy.

On Thursday, Copps and Adelstein were the only two FCC members to attend the hearing, organized by the National Latino Media Council. All five had been invited.

The hearing brought into focus high levels of dissatisfaction with the media.

The two commissioners received an earful from dozens of speakers, who asserted that the consolidation of station ownership had led to a pronounced decline in in-depth news reporting, diversity of viewpoints and quality children's programming.

Speakers, who included members of Congress, labor leaders, librarians and even a limousine driver, accused the major corporations that own broadcasting outlets of abrogating their responsibility to serve the public interest in their pursuit of profits.

Mona Mangan, president of the Writers Guild of America, East, accused the broadcasters of pandering to "the lowest common denominator" in their quest to find a large enough audience to drive ratings.

"Local television is one of the most lucrative parts of the networks," she said. "It is the source of so much money."

Mangan said strong reporting could benefit the community, citing the investigative

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coverage of unsanitary kitchens by KCBS-TV Channel 2 in 1997 that led to the A, B, C grades that now hang in restaurant windows.

"Local stories are expensive, and that type of investigation is not done anymore," she said.

One speaker, Dave Adelson, said that searching for substantial programming on TV was like trying to get a balanced meal from a vending machine.

"The machine is filled with products made by conglomerates," Adelson said. "You can get anything you want, except nutrition."

The hearing was the first of four that Copps and Adelstein are planning to specifically address the concerns of Latinos. Los Angeles is home to the nation's largest Latino population, — 1.8 million households, according to Nielsen Media Research. The two FCC members plan other such hearings this year in New York, Chicago and Austin, Texas.

Several Latino speakers decried the practices of Spanish-language media. Major Spanish-language broadcasters typically buy much of their entertainment programming from production firms in Mexico and other Latin American countries. This practice, several speakers said, denies Latino producers, actors and writers in Los Angeles a valuable source of employment.

A few others said they were offended by the vulgarities and crass content they sometimes hear on Spanish-language radio programs. They asked the FCC to do a better job of monitoring the Spanish-language airwaves.

The most impassioned group was one affiliated with a charter school in El Sereno. In June, a talk show host on KABC-AM (790) alleged that the school's leaders were racist separatists and called for its closure. The school received a bomb threat and had to be evacuated.

The school's co-founder played an audio tape of the KABC broadcast, and demanded that the FCC revoke the station's license. One father accused the station of spreading hate and lies.

"They threatened the lives of our children," he cried out, his booming voice filling the conference room.

KABC executives did not return calls seeking comment Friday, and executives at parent firm Walt Disney Co. declined to comment.

On Friday, Adelstein said he was alarmed by what he heard and would investigate the matter further. He said he was impressed by the turnout and the variety of issues raised at the hearing.

"This was a powerful statement of the deep level of concern within the Hispanic community about the state of the media in Los Angeles," he said. "The frustration is understandable."

meg.james@latimes.com

MORE BUSINESS NEWS

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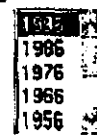
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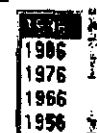


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ATTACHMENT 5

***RADIO AND RECORDS* ARTICLES CONCERNING
CLEAR CHANNEL'S PROFESSED FEAR OF "I-PODS"
AND SATELLITE SUBSCRIPTION SERVICES**



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NEWSROOM

Monday, August 7, 2006

Clear Channel Lobbying For Media-Ownership Rules Change

America's largest radio group wants to get even bigger and is leaning on the FCC to make it happen.

Clear Channel, an active member of the radio industry's biggest lobbying operation and trade association, the NAB, began building its own lobbying presence in Washington more than a year ago and has met with FCC commissioners and their staffs numerous times.

According to a report this morning on Law.com, Clear Channel has quietly floated a plan that would allow it and companies like it to expand their holdings in the largest U.S. markets. The publication says Clear Channel is considering a formal petition with the FCC to raise the caps on the number of stations a company can own in big markets.

Lead by Chairman Kevin Martin, the FCC in June announced it would review media-ownership rules and would consider permitting companies to own more than eight stations in the largest markets where at least 45 full-power stations operate.

"Easing the ownership restrictions will help level the playing field and let free radio compete with iPods, online music services and satellite radio," Law.com quotes a Clear Channel spokeswoman as saying. "Certainly, seeing that satellite radio has 150 unregulated stations in every market and free radio is limited to just eight shows the apparent disparity."

— Jeffrey Yorke, R&R Washington Bureau Chief

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NEWS SUMMARIES

Updated August 7, 2006

10:50am ET

Clear Channel Lobbying For Media-Ownership Rules Change

America's largest radio group wants to get even bigger and is leaning on the FCC to make it happen. Clear Channel, an active member of the radio industry's biggest lobbying operation and trade association, the NAB, began building its own lobbying presence in Washington more than a year ago and has met with FCC commissioners and their staffs numerous times.

[Full Story](#)

Updated August 7, 2006

4:30am ET

Forgy Joins Radio One/Cleveland as GM

Radio One has announced Chris Forgy to the position of VP/GM of its Cleveland cluster, overseeing Urban WENZ, Gospel WJMO, Urban Talk WERE, and Urban WZAK.

[Full Story](#)

Updated August 4, 2006

7:15pm ET

Smulyan Withdraws Offer To Take Emmis Private

ECC Acquisition, Inc. owner Jeff Smulyan today withdrew his company's May 7 non-binding offer to buyout Emmis shares to take the company private. Smulyan, who is also the founder and Chairman/CEO of Emmis Communications Corporation, made his intentions known in a letter to the Emmis Board of Directors.

[Full Story](#)

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Updated August 7, 2006

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Report: Clear Channel Wants Bigger Piece Of The Pie

Aug. 07, 2006

By Ken Tucker

Despite the certainty of another high-profile battle with opponents of media consolidation, Clear Channel has quietly floated a plan that would allow the radio

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[» more format news](#)


Consequently, Clear Channel has quietly worked a plan that would allow the radio giant and other station owners to boost their holdings in the largest U.S. markets, according to the Deal.

The company is considering filing a formal petition with the FCC seeking to raise the caps limiting how many stations one company can own in the largest individual U.S. markets, according to the story.

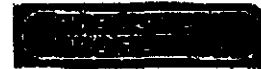
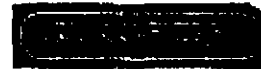
While current rules specify that a company may own no more than eight radio stations in the largest U.S. markets, such as Los Angeles, New York and Chicago, where at least 45 full-power radio stations operate, it's believed that Clear Channel is seeking approval from the FCC to own 10 stations in markets with 60 radio stations and 12 radio outlets in the largest U.S. markets that have 75 radio stations or more.

"Easing the ownership restrictions will help level the playing field and let free radio compete with iPods, online music services and satellite radio," a Clear Channel spokeswoman told the Deal. "Certainly, seeing that satellite radio has 150 unregulated stations in every market and free radio is limited to just eight shows the apparent disparity."

In June, the commission launched its congressionally-mandated review of FCC rules, which it must conduct every four years.

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ATTACHMENT 6

***RADIO INK* AND *FMQB* ARTICLES CONCERNING
AMERICAN MEDIA SERVICES STUDY REFLECTING
CONTINUED STRENGTH OF BROADCAST RADIO**

RADIO INK

Radio's Premier Management
& Marketing Magazine

September 14, 2006

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Today's News

Radio Listening Remains Strong

Despite the availability of various new media to receive music and news, only a little more than one in four Americans (27 percent) say they are now listening to the radio less than they did five years ago. According to a survey commissioned by American Media Services, about half (51 percent) said their radio listening hasn't changed during the past five years, and 21 percent said they are now listening more.

When asked to look ahead five years, only 11 percent said they expect to be listening to the radio less than they do now. Nearly three out of four (74 percent) said they expect to listen about the same, and 13 percent said they expect to listen more.

"Radio plays a vital role in American life. Reports of radio's death seem greatly exaggerated," said Ed Seeger, president and chief executive officer of American Media Services, which commissioned the survey.

The survey found that Americans rate radio as their primary source to learn about new music. When asked which ways they learn about new music, 63 percent said by listening to the radio. In comparison, 43 percent said it can be through talking with friends, 41 percent cited watching television, 24 percent cited reviews in newspapers or magazines, and 16 percent cited the Internet.

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New Study Says Radio Listening Habits Are Unchanged

September 13, 2006

A new Omnitel/American Media Services (AMS) study finds that despite the multitude of new media options, most people are still listening to radio in the same amount as always. Approximately 27 percent of those surveyed are listening to less radio than they did five years ago. Just over half said their listening habits are unchanged, with 21 percent saying they now listen to even more radio.

Additionally, 63 percent said they find new music via radio, with friends (43 percent), TV (41 percent), print reviews (24 percent) and the Internet (18 percent) cited as other sources for new music. Also, men were found to be more likely than women to listen to Internet radio, but the gender gap is expected to shrink in the near future.

"Radio plays a vital role in American life. Reports of radio's death seem greatly exaggerated," said AMS President/CEO Ed Seeger.

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- ▶ Microsoft Unveils The Zune
- ▶ Former Power 105 Host Star Sues Clear Channel
- ▶ Tom Bigby Retires From CBS Radio
- ▶ In Brief - September 14, 2006
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- ▶ Moonves Speaks On CBS Radio, Freston & More
- ▶ WJOK PD Toby Knapp Heads To D.C.
- ▶ New Study Says Radio Listening Habits Are Unchanged
- ▶ Clear Channel Grabs Pittsburgh Pirates Broadcasts
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BEFORE THE
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In the Matter of)	
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2006 Quadrennial Regulatory Review --)	MB Docket No. 06-121
Review of the Commission's Broadcast)	
Ownership Rules and Other Rules Adopted)	
Pursuant to Section 202 of the)	
Telecommunications Act of 1996)	
)	
2002 Biennial Regulatory Review --)	MB Docket No. 02-277
Review of the Commission's Broadcast)	
Ownership Rules and Other Rules Adopted)	
Pursuant to Section 202 of the)	
Telecommunications Act of 1996)	
)	
Cross-Ownership of Broadcast Stations and)	MM Docket No. 01-235
Newspapers)	
)	
Rules and Policies Concerning Multiple)	MM Docket No. 01-317
Ownership of Radio Broadcast Stations)	
in Local Markets)	
)	
Definition of Radio Markets)	MM Docket No. 00-244
)	
To: The Secretary		
Attention: The Commission		

COMMENTS OF MT. WILSON FM BROADCASTERS, INC.

FILED/ACCEPTED

Robert B. Jacobi
J. Brian DeBoice
COHN AND MARKS, LLP
1920 N Street, N.W., Suite 300
Washington, DC 20036
(202) 239-3860

OCT 23 2006

Federal Communications Commission
Office of the Secretary

Counsel to **MT. WILSON FM BROADCASTERS, INC.**

Dated: October 23, 2006

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ATTACHMENTS

- Attachment 1 – *Los Angeles Times* editorial and *Radio Ink* article
concerning KZLA-FM abandonment of Country format
- Attachment 2 – Los Angeles Metro Radio Market Revenue Share Data
- Attachment 3 – Clear Channel press release and *Star-Telegram* article
concerning Clear Channel's Second Quarter, 2006 Profits
- Attachment 4 – *Los Angeles Times* article concerning Los Angeles
FCC Field Hearing on Media Ownership
- Attachment 5 – *Radio and Records* articles concerning Clear Channel's
professed fear of "I-pods" and Satellite Subscription Services
- Attachment 6 – *Radio Ink* and *FMQB* articles concerning American Media
Services Study reflecting the continued strength of Broadcast Radio

SUMMARY

Mt. Wilson FM Broadcasters, Inc. ("Mt. Wilson") is a small, family-owned company that has provided quality radio broadcast service to the Los Angeles market for nearly half a century. Mt. Wilson vehemently opposes any relaxation in the Commission's current radio ownership numerical limits and urges the Commission to (1) *reduce* the number of radio stations that can be owned in the Los Angeles market to a maximum of *three* FM stations and to a total of five; and (2) institute a market share cap requiring divestiture when an owner has more than a fifteen percent share of market revenues in a top-ten market.

The current state of radio ownership concentration in this country is destroying everything in radio broadcasting that has real and lasting value. It is destroying diversity of viewpoint. It is destroying diversity of programming. It is destroying free and fair competition. It is destroying radio localism.

The Commission has a choice of two paths. It can roll back the current radio ownership numerical limits; curtail radio ownership concentration with a market share cap; and thereby bring about a rebirth of diversity, competition and localism in American radio broadcasting. Or it can do nothing – or worse, relax even further the current, utterly inadequate radio ownership restrictions – and witness the death of every important value radio broadcasting has offered the American people since the first radio broadcast station received a federal license roughly eighty years ago.

History – and the people of this nation – will note and remember which path the Commission chooses.

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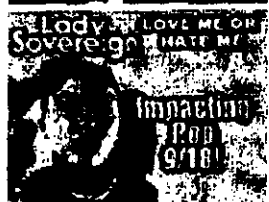
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